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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549ANNUAL AUDITED REPORT
FORM X-17A-5
PART IIIOMB APPROVAL
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Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING January 1, 2008 AND ENDING December 31, 2008
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
Crestview Securities, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

431 Post Road East, Suite One

OFFICIAL USE ONLY
08445
FIRM I.D. NO.(No. and Street)
Westport CT 06880-4403
(City) (State) (Zip Code)NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (203) 222-0333
Norman M. Marland

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Lye & Lye, P.C.

(Name - if individual, state last, first, middle name)

One Evergreen Avenue Hamden CT 06518
(Address) (City) (State) (Zip Code)

PROCESSED

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SEC

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Section

CHECK ONE:

- ☒
- Certified Public Accountant
-
- ☐
- Public Accountant
-
- ☐
- Accountant not resident in United States or any of its possessions.

FEB 25 2009

Washington, DC
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of
information contained in this form are not required to respond
unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Norman M. Marland, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Crestview Securities, Inc., as of December 31, 2008, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Norman M. Marland
Signature

President
Title

Marshall L. Michelson
Notary Public

MARSHALL L. MICHELSON
NOTARY PUBLIC
MY COMMISSION EXPIRES JULY 31, 2012

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition; Statement of Cash Flows
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

- X (o) Independent Auditor's Report on Internal Control
- (p) Schedule of Segregation Requirements and Funds in Segregation-Customers' Regulated Commodity Futures Account Pursuant to Rule 17a-5

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Lye & Lye, P.C.

Certified Public Accountants

One Evergreen Avenue
Hamden, CT 06518

Leonard F. Lye, II

Ruth R. Lye

Phone: (203) 281-3231

Fax: (203) 230-0174

Email: lyecpas@snet.net

INDEPENDENT AUDITOR'S REPORT

Mr. Norman M. Marland, President
Crestview Securities, Inc.
431 Post Road East
Westport, CT 06880

We have audited the accompanying statement of financial condition of Crestview Securities, Inc. (a Subchapter S Corporation) as of December 31, 2008, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crestview Securities, Inc. as of December 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Lye & Lye, P.C.
Lye & Lye, P.C.
Hamden, Connecticut
February 23, 2009

CRESTVIEW SECURITIES, INC.
STATEMENT OF FINANCIAL CONDITION
December 31, 2008

ASSETS

Current Assets:

Cash	\$ 129,645
Cash Segregated under Federal and other Regulations	29
Commissions Receivable	<u>7,500</u>
 TOTAL ASSETS	 <u>\$ 137,174</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities:

Accounts Payable	\$ <u>4,500</u>
 Total Current Liabilities	 <u>4,500</u>

Stockholder's Equity:

Common Stock, par value \$.10, 5,000 shares authorized, 1,100 shares outstanding	110
Capital in Excess of Par	23,140
Retained Earnings	<u>109,424</u>

Total Stockholder's Equity	<u>132,674</u>
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TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	 <u>\$ 137,174</u>
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See Accompanying Notes to Financial Statements.

CRESTVIEW SECURITIES, INC.
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUES	
Commission Income	\$ 336,746
Interest & Dividends	<u>16</u>
TOTAL INCOME	336,762
EXPENSES	
Commission Expense	198,185
Rent	12,000
Professional Fees	6,075
Regulatory Fees	4,502
Utilities	3,338
Office Supplies	1,248
Insurance	1,229
Bank Fees	211
Donations	<u>50</u>
TOTAL EXPENSES	<u>226,838</u>
INCOME BEFORE STATE INCOME TAXES	109,924
STATE INCOME TAXES	<u>500</u>
NET INCOME	<u><u>\$ 109,424</u></u>

See Accompanying Notes to Financial Statements.

CRESTVIEW SECURITIES, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Common Stock</u>	<u>Capital in Excess of Par</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, January 1, 2008	\$ 110	\$ 23,140	\$ 70,945	\$ 94,195
Net Income			109,424	109,424
Distribution to Shareholder			(70,945)	(70,945)
Balance, December 31, 2008	<u>\$ 110</u>	<u>\$ 23,140</u>	<u>\$ 109,424</u>	<u>\$ 132,674</u>

See Accompanying Notes to Financial Statements.

CRESTVIEW SECURITIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	\$ 109,424
Adjustments to reconcile net income to net cash provided by operating activities:	
Decrease in commissions receivable	1,469
Decrease in accounts payable	<u>(375)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>110,518</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Distribution to shareholder	<u>(70,945)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(70,945)</u>
NET INCREASE IN CASH	39,573
CASH AT BEGINNING OF YEAR	<u>90,101</u>
CASH AT END OF YEAR	<u><u>\$ 129,674</u></u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

State Income Taxes Paid	<u>\$ 500</u>
Interest Paid	<u>\$ 0</u>

See Accompanying Notes to Financial Statements.

CRESTVIEW SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

1. Summary of Significant Accounting Policies

Accounting Basis

The books and records of the Company are kept on the accrual basis for financial reporting and income tax purposes. The accompanying financial statements represent the transactions of the Company for the year ended December 31, 2008.

Cash Flows

For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months, that are not held for sale in the ordinary course of business.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Concentration of Credit Risk

Cash Balance

The Company maintains its cash in bank deposit accounts which are secured by the Federal Deposit Insurance Corporation (FDIC). At various times throughout the year, the Company's balance in its checking account has exceeded the federally-insured limit. The Company has not experienced any losses in such accounts. The Company believes they are not exposed to any significant credit risk to cash.

The Company sells shares in investment companies, private placements of stocks, bonds and limited partnerships and other investment products to customers in various states throughout the country in which counterparties primarily include private investment firms. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the credit worthiness of the counterparty or issuer of the instrument. Commissions earned from the investment companies are received within one month.

CRESTVIEW SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

3. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2008, the Company had net capital of \$132,674, which was \$127,674 in excess of its required net capital of \$5,000. The Company's net capital ratio was .0339 to 1.

4. Cash Segregated Under Federal and Other Regulations

The Company is not obligated to report under SEC Rule 15c3-3 since it does not maintain customer accounts or hold securities. The Company claims exemption from Rule 15c3-3 based upon Section 15c3-3(k)(2)(A). The Company maintains a "Special Account for the Exclusive Benefit of Customers".

5. Income Taxes

The Company has elected under the Internal Revenue Code to be an S-Corporation. In lieu of corporation income taxes, the shareholders of an S-Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision of liability for Federal income taxes has been included in the financial statements.

The state income tax provision relates to income taxes due in certain states which do not recognize the Company's "S" corporation status or which have minimum tax amounts.

No audits by the Internal Revenue Service or State Tax Agencies have been conducted since the Company's inception.

6. Related Party Transactions

The Company pays commissions to Norman M. Marland, the Company's sole shareholder and president. During the year ended December 31, 2008, he was paid \$198,185, which is included in commissions expense on the statement of income.

CRESTVIEW SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

7. Operating Lease

The Company occupies office facilities, which are leased by the president and sole shareholder, Norman M. Marland. The lease agreement, which expired in May 2008, required a monthly rent of \$1,000. The Company continues to lease its office facilities on a month to month basis for a monthly rent of \$1,000. Although the Company is not legally bound under the lease, the Company paid \$12,000, as it's share of the rent, during the year, which is included as rent expense on the income statement.

8. Fair Value Measurement

The carrying amounts of financial instruments, including cash, accounts receivable, and accounts payable approximate their fair market value due to the short term maturities of these instruments. The carrying value of notes receivable and payable approximates the fair value based on the current market rates and conditions.

SUPPLEMENTARY INFORMATION

SCHEDULE I

CRESTVIEW SECURITIES, INC.
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2008

Net Capital	
Stockholder's Equity	<u>\$ 132,674</u>
Net Capital December 31, 2008	<u>\$ 132,674</u>
Aggregate Indebtedness	
Items Included in Statement of Financial Condition:	
Accounts Payable and other Accrued Expenses	<u>\$ 4,500</u>
Total Aggregate Indebtedness	<u>\$ 4,500</u>
Computation of Basic Net Capital Requirement	
Minimum Net Capital Requirement	<u>\$ 5,000</u>
Excess Net Capital	<u>\$ 127,674</u>
Excess Net Capital at 1000 Percent	<u>\$ 132,224</u>
Ratio of Aggregate Indebtedness to Net Capital	<u>.0339 : 1</u>



Lye & Lye, P.C.
Certified Public Accountants

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Ruth R. Lye

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Email: lyecpas@snet.net

Schedule II

CRESTVIEW SECURITIES, INC.
AUDITOR'S STATEMENT ON NET CAPITAL

Mr. Norman Marland, President
Crestview Securities, Inc.
431 Post Road East
Westport, CT 06880

Dear Mr. Marland,

No material differences exist between the audited and unaudited computations submitted by the Corporation of net capital and aggregate indebtedness pursuant to the Securities and Exchange Commission Rule 15c3-1 as of December 31, 2008.

Lye & Lye, P.C.
Lye & Lye, P.C.
Hamden, Connecticut
February 23, 2009



Lye & Lye, P.C.
Certified Public Accountants

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**Report on Internal Control Required by SEC Rule 17a-5(g)(1) for a
Broker - Dealer Claiming an Exemption From SEC Rule 15c3-3**

Mr. Norman Marland, President
Crestview Securities, Inc.
431 Post Road East
Westport, CT 06880

In planning and performing our audit of the financial statements of Crestview Securities, Inc., as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons and recordation of differences required by rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to

assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above. However, we identified the following deficiencies in the internal control that we consider to be significant deficiencies.

1. Inadequate segregation of duties within a significant account or process.
2. Allowance of sole shareholder/management to override controls.
3. Inadequate documentation of the components of internal control.
4. Inadequate design of monitoring controls used to assess the design and operating effectiveness of the entity's internal control over time.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2008, to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Lye + Lye, P.C.

Lye & Lye, P.C.
Hamden, Connecticut
February 23, 2009



CRESTVIEW SECURITIES, INC.
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2008

Lye & Lye, P.C.
Certified Public Accountants
Hamden, CT 06518

END